



Committee On Finance

Max Baucus, Chairman

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BAUCUS ADDRESSES FUTURE OF TRADE PROMOTION AUTHORITY

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) offered the following remarks on the floor of the Senate today regarding the future of Trade Promotion Authority, also known as “fast-track” trade negotiating authority. In a speech today, President George W. Bush called on Congress to renew the fast-track provision before its expiration on June 30, 2007. Baucus said today that there must be a fundamental debate over the future of U.S. trade policy, and on how to make that policy work better for American workers and businesses.

The prepared text of Baucus’s speech follows here.

Remarks of Finance Chairman Max Baucus (D-Mont.) Regarding Fast-Track Trade Negotiating Authority

Mr. President, earlier today, President Bush called for renewal of fast-track trade negotiating authority — also known as “Trade Promotion Authority” or “TPA.”

Fast-track authority expires six months from today. Many view this date with fear and trepidation. I do not.

I view it as an opportunity to take a hard look at the direction of America’s trade policy. It is an opportunity to air differences. It is an opportunity to find common ground.

Trade policy is a bargain struck between the American government and the American people. Americans trust their government to use trade policy to expand export opportunities, create jobs, and fuel our economy. In exchange for that trust, Americans expect their government to make sure that trade works for them. And they expect their government to take action when it does not.

That is the fundamental debate in which we, as a nation, must engage. Does trade work for the American farmer and rancher? Does trade work for American factory workers? Does trade work for the American economy?

--3 more--

I believe that it does. I believe that trade creates opportunities. I believe that trade generates American jobs. I believe that trade bolsters our global competitiveness. I believe that trade allows us to project America's values to the world. And I believe that the alternative — erecting barriers to trade — is self-defeating and will not make anyone better off.

That is why, during my years in Congress, I have long supported granting the President fast-track authority. The success of America's ranches and farms, the success of businesses big and small, requires that the President have this authority.

Twelve million U.S. jobs depend on exports. Exports account for a tenth of America's GDP. My home state of Montana exports 60 percent of the wheat grown there.

But there are other voices, too. Many have deep and legitimate concerns about the effect of trade and globalization.

Many equate trade with ballooning deficits, stagnating wages, and job layoffs.

Many view the growth of China and India as threats rather than as opportunities.

Many point to abhorrent labor and environmental conditions in some of our trading partners.

And many no longer trust the government to do its part to take care of the Americans that trade leaves behind.

These concerns are real and deeply felt. And we cannot ignore them. True leadership requires that we address these concerns head-on.

The expiration of Trade Promotion Authority allows us to have this debate. It reminds us that we cannot consider renewal of this authority in a vacuum. And it underscores the paramount importance of restoring America's faith and confidence in our trade policy.

In the process, we will examine a series of critical issues. These are issues that we must address as we consider whether to reauthorize Trade Promotion Authority.

First, we must make Trade Adjustment Assistance, or "TAA," more reflective of today's innovative economy. TAA is America's commitment to provide wage and health benefits while trade-displaced workers retool, retrain, and find better jobs.

A renewed TAA must do what today's program does not. It must be available to the eight out of ten American workers who make their money in services professions. It must apply to all workers displaced by trade, not just those affected by free-trade agreements.

And the time has come to consider other ways to help workers displaced not just by trade, but by other aspects of globalization, including the advance of technology.

Second, we have to address concerns that our trade agreements encourage companies to move jobs to countries with substandard labor and environmental policies. We need to find common cause with those who abhor child labor and sweatshop labor anywhere. We need to acknowledge the justifiable ends of those who want to employ trade to help stop despoliation of the planet.

We project our values as Americans when we use our trade agreements to create a race to the top. Just as our trade agreements require our partners to step up their protection of investments and intellectual property, so our agreements should lead to improvements in our partners' labor and environmental protections.

Third, we cannot conclude more trade agreements without giving Americans the confidence that we vigorously enforce those agreements already on the books. Too many of our partners cheat and maintain bogus barriers against American exports.

Look at Korea's unscientific ban on beef. Look at the illegal subsidies China grants to its manufacturers.

But the trade enforcement tools that Congress created in the 1970s and the 1980s — like section 301 — are outdated. They no longer function as intended. It is time to take a hard look at these tools. We should redraft them so that they better address the trade barriers that American exporters face in today's global economy.

Fourth, we cannot expect Americans to support trade when they see ever-ballooning trade deficits. Our trade deficit with China this year will approach \$300 billion. That is unsustainable. We need to get our balance sheet back in line.

That requires us to boost U.S. exports through better enforcement and better export promotion. That requires us to call out countries, like China, and possibly even Japan, that use the value of their currency to gain a trade advantage. And that means action at home to improve public and private savings.

Fifth, a successful trade policy means that America must be the most competitive nation in the world. American workers need to know that they can compete and win on the global playing field. We need to take a good hard look at how health care costs, our education system, and tax policies affect America's global competitiveness.

As I did in the last Congress, I will push competitiveness at every opportunity. I will work for passage of legislation that will guarantee America's economic preeminence, for years to come.

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With Trade Promotion Authority about to expire, the locus of trade policy shifts back to the Congress. We have both the opportunity and the responsibility to create the next trade policy that will guide this country forward.

We need to work together on trade to find answers to the hard questions.

We need to work together on trade to shore up our international leadership. And, most of all, we need to work together on trade to restore our bargain with the American people.

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